

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3944-06
Bill No.: Perfected HS for HCS for HB 1195
Subject: Disabilities; Economic Development Dept.; Licenses - Professional
Type: Original
Date: April 15, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Dietician	\$86,850	\$2,606	\$92,100
Athlete Agent *	\$0	\$0	\$0
Barber	\$0	\$2,250	\$540
Interior Design	\$100,000	\$1,500	\$106,000
Total Estimated Net Effect on <u>All</u> State Funds	\$186,850	\$6,356	\$198,640

***Offsetting income and expenses expected to be less than \$100,000**

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 14 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety (DPS) - Missouri State Water, DPS - Missouri State Highway Patrol, Office of State Treasurer, Department of Social Services, Office of State Courts Administrator, Kansas City School District, Department of Labor and Industrial Relations, Missouri Department of Conservation, Department of Insurance, Missouri Department of Transportation, Department of Revenue, Southwest Missouri State University and Mexico School District** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Administrative Hearing Commission** assume this proposal will not significantly alter its caseload. However, if other similar bills also pass, resulting in more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Elementary and Secondary Education (DES)** provide the following information and assumptions regarding this proposal:

The Missouri Commission for the Deaf and Hard of Hearing enacted a new rule that created a "Provisional Restricted Certification in Education" (PRCED) [5 CSR 100-200.045]. Since enacting this rule, 26 PRCED certifications have been given out at a cost of \$10 each. However, the rule stipulates that these certifications can only be given to persons who already have a

ASSUMPTION (continued)

Missouri Interpreters Certification System (MICS) certification. These individuals have already paid a minimum of \$160 each to test in the MICS. Therefore, these 26 individuals have paid into the MICS a total \$4,420 in the current year. If the proposal is passed, DES assumes that the recipients of the “provisional public school certificate” will not already be certified in the MICS. Thus, if they pay the same fee as the recipient of a PRCED (\$10), MICS will receive a total of \$260 (\$10 X 26 PRCED certified individuals). **This would be a loss of income to the MICS of a minimum \$4,160** (\$4,420 - \$260).

If the 26 individuals who currently hold a PRCED under the terms of the rule currently in place want to extend those certifications for another year, they must take the performance test again and move up one level. The performance test fee is \$125, and would provide \$3,250 to the MISC each year. If the proposal is passed, these 26 individuals could extend their certificates by one year for a total cost of \$260 (\$10 X 26 individuals). **This would be an additional loss of income to the MICS of \$2,990** (\$3,250 - \$260).

In the current year, there are a total of 170 interpreters listed with the DES as working in Missouri schools. If the proposal passes, the DES assumes that at least half of the interpreters working in Missouri schools next year would do so with a “provisional public certification issued by the Missouri Commission for the Deaf and Hard of Hearing (MCDHH) or 85 individuals (170 X 50%). As 26 individuals have been considered in above calculations, additional funds would be lost on the remaining 59 (85 interpreters - 26 previously considered interpreters). Under 5 CSR 100-200.045, those individuals would be paying into the MICS a minimum of \$9,440 (\$160 X 59). Under the current proposal, they would be paying \$590 (50 X \$10). **This would result in a loss to the MICS of \$8,850** (\$9,440 - \$590).

The DES states the proposal would allow public schools to hire anyone they wanted to provide interpreting services, regardless of the adequacy of the skills of that person. Given the legal mandates of the federal Individuals with Disabilities Education Act (IDEA), it is certain that public school districts will hire some persons to provide interpreter services to very young children who could not pass the MICS test at the lowest skill level. This will result in lost tax revenue, health costs, Medicaid, and so forth.

The DES estimates a loss of \$4,160 to the MICS fund for FY 05; a loss of \$11,840 to the MICS fund for FY 06; and an unknown loss to the MICS fund for FY 07. The DES also estimates an unknown loss to General Revenue for FYS 05, 06 and 07 due to costs spread over the life of a child who has not received appropriate early intervention for hearing loss in terms of health costs, Medicaid, etc.

ASSUMPTION (continued)

Oversight assumes the DES could absorb the minimal losses anticipated to the MICS fund. **Oversight** notes that potential losses to the General Revenue Fund would be spread over the school lifetime of students and would, primarily, be outside the period of this fiscal note. Any unknown costs resulting to the General Revenue Fund during the period of this fiscal note would probably be minimal.

Officials from the **Office of the Secretary of State (SOS)** state this proposal changes licensing provisions for the State Committee of Interpreters, the Missouri Dental Board, the Board of Nursing, Physical Therapists, Real Estate Commission and the Office of Tattooing, Body Piercing and Branding. The Department of Economic Development may promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development could require as many as 30 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$1,845 [(30 pp x \$27) + (45 pp x \$23)].

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Attorney General (AGO)** assume no fiscal impact for the following sections: Sections 209.309 to 209.323 relating to certification of interpreters; Section 317.011 relating to the fund for contact sports; Sections 337.085 to 337.712 relating to provisions concerning professional counselors; Sections 345.015 to 346.135 relating to licenses for audiologists ; Sections 620.127 to 620.145 relating to the requirements that the Division of Professional Registration keep additional information on licensees; Sections 324.200 to 324.216 regarding the practice of dietitians; Sections 324.400 to 324.433 relating to interior designers; Sections 334.530 to 334.665 relating to physical therapists and physical therapists' assistants; Section 332.086 relating to the Missouri Dental Board; and Sections 335.212 through 335.245 regarding the profession of nursing.

ASSUMPTION (continued)

For the creation of a temporary license to practice tattooing, body piercing or branding, the AGO assumes that this proposal will create minimal costs that can be absorbed with existing resources (Section 324.526).

In consideration of Sections 339.010 to 339.800 of the proposal pertaining to real estate brokers, the AGO assumes that the changes that this proposal makes will create minimal costs that can be absorbed with existing resources.

With respect to Sections 328.075 to 328.080, this provision creates two new categories of licenses within the Division of Professional Registration within the Board of Barbers. The AGO assumes that it would need ½ AAG I (Assistant Attorney General I) to assist the Board in additional licensing matters .

With respect to Sections 436.215 to 436.272, AGO assumes that this proposal creates an additional category of professional registration, a license for "athlete agents" within the Division of Professional Registration. The AGO assumes that it would need ½ AAG I to assist the Director of the Division in the rule-making process and represent the Division in licensing matters before the Administrative Hearing Commission .

Therefore, the AGO assumes a total of 1 AAG I will be needed to provide services to the Division of Professional Registration related to this proposal. The AGO assumes a total cost of \$38,045 for FY 05; \$46,796 for FY 06; and \$47,966 for FY 07.

Oversight assumes the Department of Economic Development - Division of Professional Registration will reimburse the AGO for costs incurred in performing the duties associated with the Board of Barbers and licensing matters associated with the Administrative Hearing Commission.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state they have no plans to issue temporary licenses within the period of the fiscal note for tattooing, body piercing or branding. Therefore, DED-PR assumes the proposal will have no fiscal impact on their organization for this portion of the proposal.

The DED-PR states this proposal creates mandatory licensure for persons who practice or offer to practice dietetics in the State of Missouri.

The Missouri Dietetic Association estimates that there will be approximately 579 applicants for licensure upon passage of this proposal. It is estimated that a \$150 application fee will be

ASSUMPTION (continued)

charged and a \$150 biennial fee thereafter. A 3% growth rate has also been calculated. It is assumed that all costs can be covered by the board's current appropriation.

The DED-PR assumes that since the certification and regulation of athletic agents is already established within the Office of Secretary of State (SOS), the necessary appropriation and fund amount will be transferred from the Secretary of State to the Division of Professional Registration. The division assumes that this appropriation amount will include, at a minimum, the necessary expense and equipment to cover expenses. It is assumed that DED-PR can assume the personal service duties associated with the proposal.

Oversight assumes other expenses of the program would be offset with fees generated from athlete agents.

The DED-PR states the proposal creates a barber apprentice and apprentice supervisor license. The State Board of Barber Examiners estimates that there will be approximately 50 apprentice applicants and 35 apprentice supervisor applicants. It is estimated that a \$10 fee will be charged to the apprentice and a \$50 fee will be charged to the supervisor. A 3% growth rate is also calculated. It is assumed that all costs can be covered by the board's current appropriation. The DED-PR estimates fee revenue of \$2,250 in FY 06 and \$541 in FY 07.

The DED-PR state this proposal creates a registration for interior designers. Current statute has a registration for commercial interior designers. This proposal prohibits the use of the term "Registered Interior Designer" unless the individual is certified by the Interior Design Council. It is estimated that there will be approximately 400 applicants for registration upon passage of this proposal. The current fee for registration is \$250 and the registration is renewed biennially. A 3% growth rate has also been calculated. DED-PR assumes all costs can be covered by the council's current allotment.

The DED-PR notes that a provision license will be granted to an interpreter in a school district if the school district is unable to locate a certified and licensed interpreter. This will have no fiscal impact to the Missouri Division of Professional Registration - Committee for Interpreters.

The proposal allows the members of the Advisory Commission for Dental Hygienists to receive a per diem of \$50 for each day devoted to commission business. The advisory commission consists of 5 members. The members meet at least 4 times per year for 2 days. The annual cost of the per diem is estimated to be \$2,000 (5 members X 4 meetings/year X 2 days/meeting X \$50 per diem). It is assumed that this cost can be absorbed by the Missouri Dental Board.

Officials from the **Office of Administration (COA) - Division of Design & Construction,**

ASSUMPTION (continued)

COA - Division of Budget and Planning, Department of Higher Education, Department of Corrections, Department of Health and Senior Services, Department of Public Safety - Capitol Police, Office of Prosecution Services, Office of State Public Defender, Central Missouri State University, Lincoln University, Southeast Missouri State University, Truman State University, University of Missouri, Columbia Public Schools, Nixa Public School District, Parkway Public School District, Sedalia Public Schools and St. Louis Public Schools did not respond to our request for a statement of fiscal impact.

This proposal will increase Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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DIETICIAN FUND

Income - Department of Economic
 Development - Professional Registration

Licensure Fees	<u>\$86,850</u>	<u>\$2,606</u>	<u>\$92,100</u>
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**ESTIMATED NET EFFECT ON
 DIETICIAN FUND**

<u>\$86,850</u>	<u>\$2,606</u>	<u>\$92,100</u>
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ATHLETE AGENT FUND

Income - Department of Economic
 Development - Professional Registration

Registration Fees	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000
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Costs - Department of Economic
 Development - Professional Registration

Administrative Costs	(Unknown - Expected to be less than \$100,000)	(Unknown- Expected to be less than \$100,000)	(Unknown - Expected to be less than \$100,000)
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**ESTIMATED NET EFFECT ON
 ATHLETE AGENT FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
BARBER FUND			
<u>Income - Department of Economic Development - Professional Registration</u>			
Licensing Fees	<u>\$0</u>	<u>\$2,250</u>	<u>\$540</u>
ESTIMATED NET EFFECT ON BARBER FUND	<u>\$0</u>	<u>\$2,250</u>	<u>\$540</u>
INTERIOR DESIGNER FUND			
<u>Income - Department of Economic Development - Professional Registration</u>			
Licensing Fees	<u>\$100,000</u>	<u>\$1,500</u>	<u>\$106,000</u>
ESTIMATED NET EFFECT ON INTERIOR DESIGNER FUND	<u>\$100,000</u>	<u>\$1,500</u>	<u>\$106,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would be affected as a result of this proposal.

DESCRIPTION

This proposal changes the laws regarding regulation of professions by the Division of Professional Registration.

DEAF INTERPRETERS

The proposal authorizes the Missouri Commission for the Deaf and Hard of Hearing to issue provisional certification as an interpreter to a person nominated by a school district if the district certifies that it is unable to locate and employ a certified licensed deaf interpreter.

DESCRIPTION (continued)

Persons enrolled in accredited interpreter training programs will be exempt from licensure if they are only engaged in activities which constitute part of their course of study.

Certified deaf interpreters from other states will be allowed to practice without a license for the purpose of providing temporary services at special events.

The division is given the authority to deny license renewal of deaf interpreters for failure to provide satisfactory evidence of current certification with the commission.

DIETITIANS

The proposal modifies provisions regarding the licensing of dietitians. In its main provisions, the proposal:

- (1) Establishes the Commission on Accreditation for Dietetics Education of the American Dietetic Association as the accrediting body for persons wishing to become licensed dietitians in this state;
- (2) Creates definitions for "dietetic practice," "dietitian," "licensed dietitian," "medical nutrition therapy," and "registered dietitian";
- (3) Places the State Committee of Dietitians within the division;
- (4) Authorizes the committee to assist the division in carrying out the provisions of the Dietitians Practice Act;
- (5) Requires the committee to approve the licensing examination;
- (6) Prohibits persons from using the title or saying they are licensed dietitians unless duly licensed by the committee;
- (7) Exempts certain persons from licensure that do not call themselves licensed dietitians; and
- (8) Contains provisions regarding lapsed and inactive licenses.

INTERIOR DESIGN

The title "registered commercial interior designer" is changed to "registered interior designer" in the statutes dealing with their licensing.

DESCRIPTION (continued)

The proposal also provides that political subdivisions are not required to use registered interior designers for residential construction purposes.

TATTOOISTS

The division is authorized to issue temporary licenses for persons entering the state for the sole purpose of participating in a state or national convention where the applicant will be practicing the profession of tattooing, body piercing, and branding. The temporary license will be valid for 14 days.

BARBER APPRENTICES

The proposal provides for the licensing of barber apprentices and the certification of barber apprentice supervisors. Prior to being eligible to apply for a barber's license, barber apprentices must work at least 2,000 hours under a licensed barber who is certified by the State Board of Barber Examiners as a barber apprentice supervisor. Applicants for a barber apprentice certificate must be at least 17 years old.

DENTAL HYGIENE ADVISORY COMMISSION

The Missouri Dental Board is required to pay a per diem not to exceed \$50 a day for actual and necessary expenses incurred by members of the Advisory Commission for Dental Hygienists.

PHYSICAL THERAPISTS

The proposal changes the laws regarding physical therapists and physical therapy assistants. In its main provisions, the proposal:

- (1) Removes the requirement that applicants for licensure must pass the licensing exam within three attempts;
- (2) Removes the requirement that the exam must be the same for all applicants;
- (3) Removes the requirements regarding the preservation of grades and scores and making them available for public inspection; and
- (4) Requires that temporary licenses be valid for 90 days or until the examination results are received and will not be renewed.

NURSING

DESCRIPTION (continued)

The definition of "qualified employment" under the Nursing Student Loan Program is modified to include any licensed hospital as defined by the Hospital Licensing Law.

SOCIAL WORKERS

Residents of Missouri holding licenses to practice social work in other states will be granted licenses to practice social work if the other state's license requirements are substantially the same as Missouri's.

REAL ESTATE

The proposal changes the laws regarding the practice of real estate. In its main provisions, the proposal:

- (1) Adds Internet web sites to the licensing exemption, when in the case of advertising real estate, the advertising is incidental to their normal business operations;
- (2) Removes the requirement of having on file with the Real Estate Commission a certified copy of a currently effective statement of record from the Office of Interstate Land Sales when land developers sell their own property;
- (3) Allows the commission to issue temporary work permits to individuals who have satisfied all licensing requirements prior to the final review and printing of their licenses;
- (4) Grants entities providing continuing education the authority to do so through the means of distance delivery;
- (5) Gives the commission the authority, when conducting investigations of complaints involving affiliated licensees, to forward copies of the information regarding the complaint to the affiliated licensee's broker;
- (6) Gives the commission authority, when a licensee fails to renew or surrender his or her license and the commission finds the licensee to be in violation of certain provisions, to cause complaints to be filed with the Administrative Hearing Commission;
- (7) Increases the amount of compensation which each member of the Real Estate Commission receives from \$50 to \$75;

DESCRIPTION (continued)

- (8) Requires designated brokers who have affiliated licensees to adopt a written policy describing their relationships in regard to their real estate activities; and
- (9) Repeals the provisions relating to escrow agents.

SPEECH PATHOLOGY ASSISTANTS

The proposal repeals provisions regarding the licensing requirements of speech pathology assistants and requires them to have a bachelor's degree.

ATHLETE AGENTS

All athlete agents operating in this state will be required to be registered and certified by the division. Fees for registration and renewal will be set by the division and deposited into the Athlete Agent Fund, which is created by the proposal. Registration and certification are valid for a two-year period and may be renewed indefinitely. The division director may refuse to issue a certificate or may suspend or revoke a certificate because of the following circumstances:

- (1) The applicant has been convicted of a crime of moral turpitude;
- (2) The applicant made false statements on the application;
- (3) The applicant has had a similar license suspended or revoked in another state; or
- (4) The applicant has caused a student-athlete to be suspended from or to be ineligible for any interscholastic or intercollegiate athletic event.

The proposal requires all contracts between agents and athletes to be written and contain certain information, including the basis for the agent's fee and a notice warning the student-athlete about the possible loss of eligibility.

LICENSURE OF FOREIGN APPLICANTS

The proposal requires persons from foreign countries when making application for a license or temporary permit to practice within any of the professions regulated by the division to provide their visa and/or passport identification number in lieu of a social security number.

FUND ACCOUNTS

The proposal requires money in the Athletic Fund, the State Committee of Psychologists Fund, the Committee of Professional Counselors Fund, the Marital and Family Therapists Fund, and

DESCRIPTION (continued)

the Hearing Instrument Specialist Fund to be three times the preceding year's appropriation prior to being placed in the General Revenue Fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Elementary and Secondary Education
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
 Missouri State Water Patrol
Department of Insurance
Missouri Department of Conservation
Office of Secretary of State
Office of State Treasurer
Southwest Missouri State University
Kansas City Public School District
Mexico School District

SOURCES OF INFORMATION

NOT RESPONDING: Office of Administration (COA) - Division of Design & Construction, COA - Division of Budget and Planning, Department of Higher Education, Department of Corrections, Department of Health and Senior Services, Department of Public Safety - Capitol Police, Office of Prosecution Services, Office of State Public Defender, Central Missouri State University, Lincoln University, Southeast Missouri State University, Truman State University, University of Missouri, Columbia Public Schools, Nixa Public School District, Parkway Public School District, Sedalia Public Schools and St. Louis Public Schools



Mickey Wilson, CPA
Director
April 15, 2004